

Weekly Global FX Market Monitor

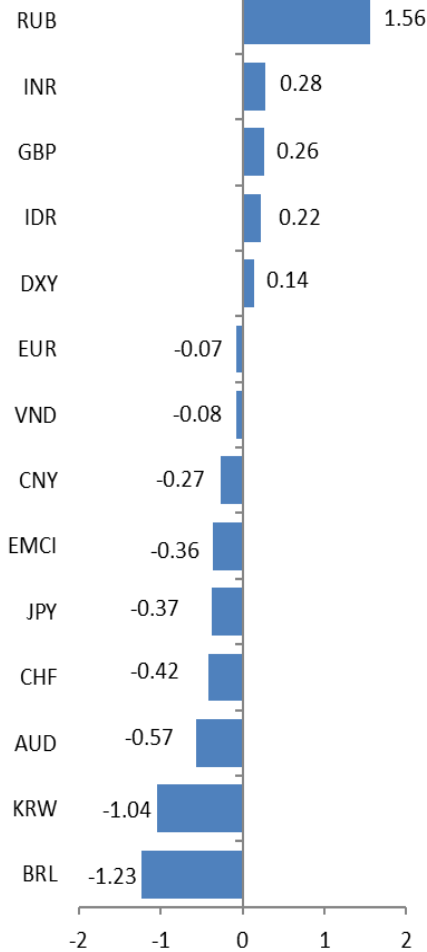
2024.05.27



Global

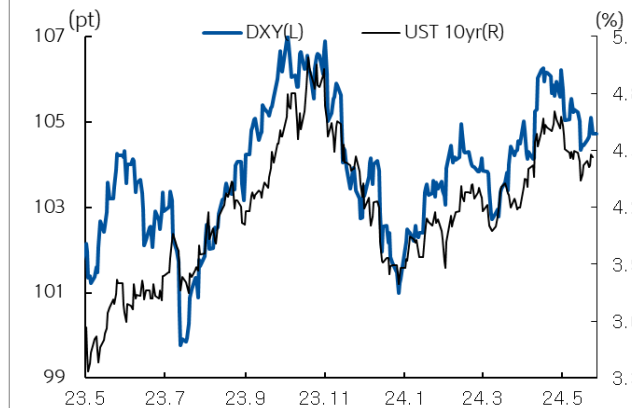
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Translation: Jae Yeon Hyun

■ Weekly Change (%)



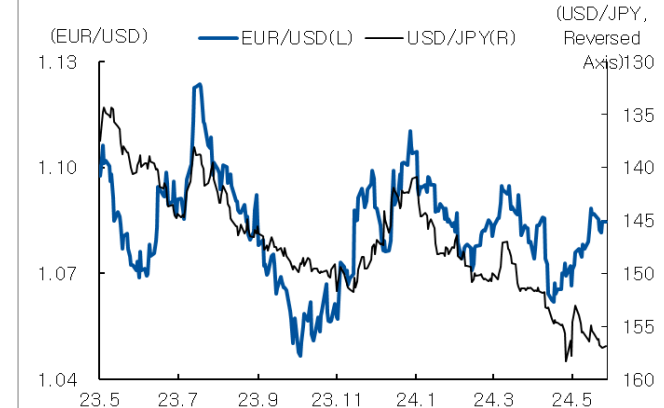
- Last week: Strong USD(+0.14%), Weak EUR(-0.07%), Weak JPY(-0.37%)
- As anticipation on the Fed's pivot retreated on hawkish FOMC minutes and higher than expected S&P service PMI. DXY closed at 104.7.
- EUR slightly rebounded as Eurozone composite PMI for May rose. But due to stronger US PMI data, EURUSD closed at 1.084 dollar.
- As US PMI improved, cautions regarding the direction of US monetary policy increased, leading to hike in bond yield. USDJPY continued to rise and closed at 156.9 yen.
- EM currencies slightly dropped as the Fed's pivot became less likely due to FOMC and PMI data.
- Policies to stabilize China's real estate market seem to be insufficient to fully solve the crisis and Hang Seng index lost its momentum. CNY(-0.27%) weakened.
- INR(+0.28%) and IDR(+0.22%) strengthened while VND(-0.08%) weakened.

Dollar Index & US Treasury 10yr



Source: Bloomberg, SHB Solution & Trading Center

EUR & JPY Trend



Source: Bloomberg, SHB Solution & Trading Center

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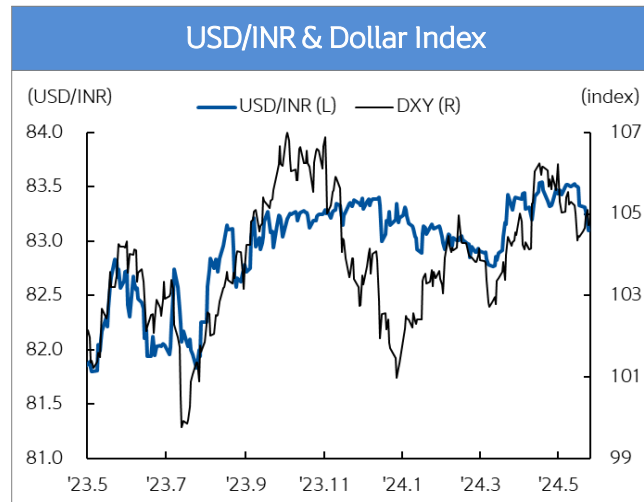


India

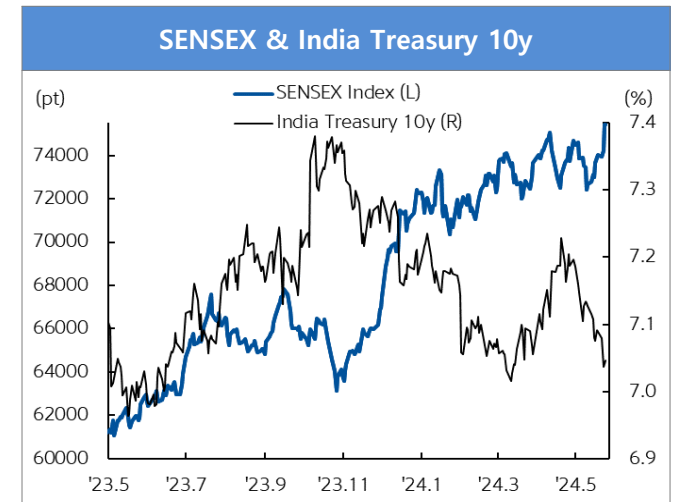
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USD/INR	83.10
52wk high	83.58
52wk low	81.67
Sensex	75,410
52wk high	75,637
52wk low	61,912
Government Bond (10yr,%)	7.05
52wk high	7.40
52wk low	6.96
Major Indices Snap shot	
Real GDP Growth	8.36
Rate(% YoY)	8.36
Consumer Prices (% YoY)	4.83
Producer Prices (% YoY)	1.26
RBI rate(%)	6.50
Manufacturing PMI (index)	58.4
Industrial Production (% YoY)	4.90
Core Sector Growth(% YoY)	5.20
Exports (% YoY)	1.08
Imports (% YoY)	10.27
Current Account (\$bn)	-10.50
Financial Earnings and Expenses (INR10mn)	-39876.3
FX Reserve (\$mn)	648,700

- Last week, USD/INR moved around 83.09~83.33, rose compared to last week.(+0.28%)
- INR strengthened as market rallied on RBI's approval of record dividend payout to the government(2.11 trillion lakh crore, \$25 billion) and USDINR dropped to 5-month low.
- FPI net purchased in equity and bond market. (5/20~5/23)
 - Equity: net purchased(5/20~5/23 cumulative: \$482.69 mil), SENSEX rose. (+2.02%)
 - Bond: net purchased(5/20~5/23 cumulative: \$111.95 mil), bond yield dropped. (10y, 7.05%,-4.60bp)
- While the general election is to be concluded this week, RBI's record dividend would allow the incoming administration to utilize the liquidity to trim deficit or expand infra spending. As market sentiment improves and capital inflow increases, INR rate is expected to fall. Q1 GDP growth, which will be announced this week, is anticipated to slow down due to continued tightening policy. (consensus: 6.9% QoQ) (Expected Range: 82.7~83.4)



Source: Bloomberg, SHB Solution & Trading Center



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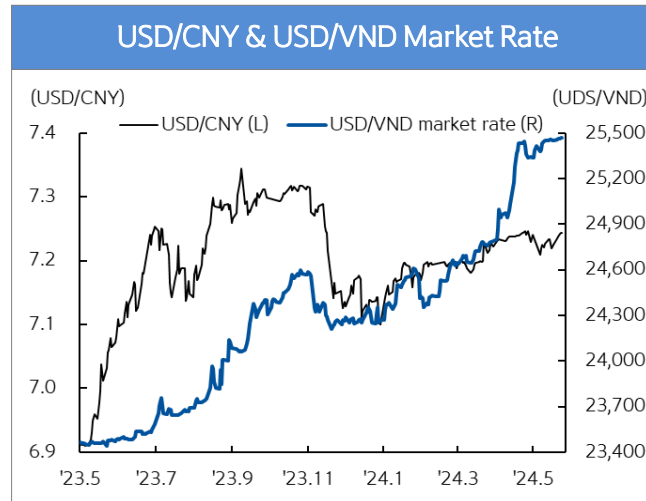


Vietnam

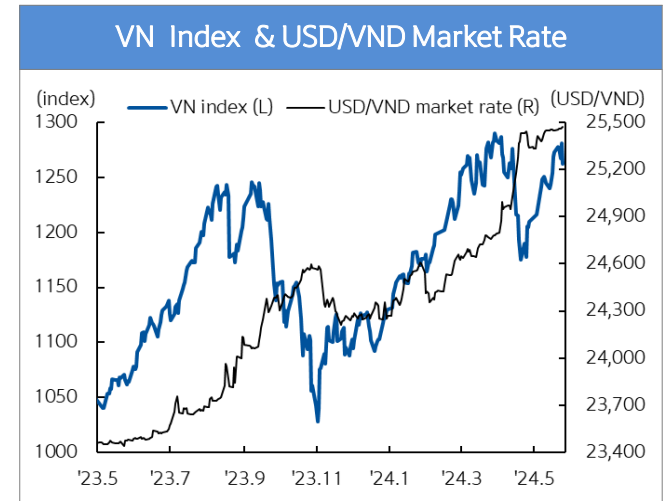
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USD/VND	25,470
52wk high	25,477
52wk low	23,467
VN index	1,262
52wk high	1,294
52wk low	1,020
Government Bond(10yr,%)	3.03
52wk high	3.36
52wk low	1.32
Major Indices Snap shot	
Real GDP Growth	5.66
Rate(% YoY)	
Consumer Prices (% YoY)	4.4
Total Mining Industries	
Producer Price(% YoY)	9.18
Refinance rate(%)	4.50
Manufacturing PMI (index)	50.3
Industrial Production (% YoY)	6.30
Retail Sales(% YoY)	8.50
Exports (% YoY)	10.6
Imports (% YoY)	19.9
Current Account (\$mn)	6375.00
Financial Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	88,086

- Last week, USD/VND moved around 25,454~25,470, Weakened compared to last week(-0.08%)
- SBV announced central rate 24,264, weakened(-0.1%) compared to last week.
- The CNY exchange rate rose to around 7.24 due to the strong US May PMI preliminary data, leading to a rebound in the dollar. Despite efforts by the SBV to stabilize the exchange rate, including raising the reverse repo rate to 4.5% on Wednesday, the VND exchange rate also rose to a record high.
- FPI net sold 152.22 million.
 - VN index fell by 0.88%, VNIBOR3M was 5.167%, rose by 56.7bp.
- With the US PCE inflation rate expected to remain flat, the strong USD is likely to be constrained. The SBV is also making every effort to defend the exchange rate, including selling USD, which is expected to temper the upward trend in the VND exchange rate. Economic data to be released at the end of the month includes May CPI(4.5% yoy), retail sales, industrial production and trade performance. (consensus: exports 19.3% yoy, imports 9.8% yoy, trade deficit \$4.75 million) (Expected Range : 25,220 ~ 25,540)



Source : Bloomberg , SHB Solution & Trading Center



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Australia

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AUD/USD	0.6637
52wk high	0.6889
52wk low	0.6296
S&P/ASX200	7,790
52wk high	7,897
52wk low	6,773
Government Bond(10yr,%)	4.28
52wk high	4.95
52wk low	3.61

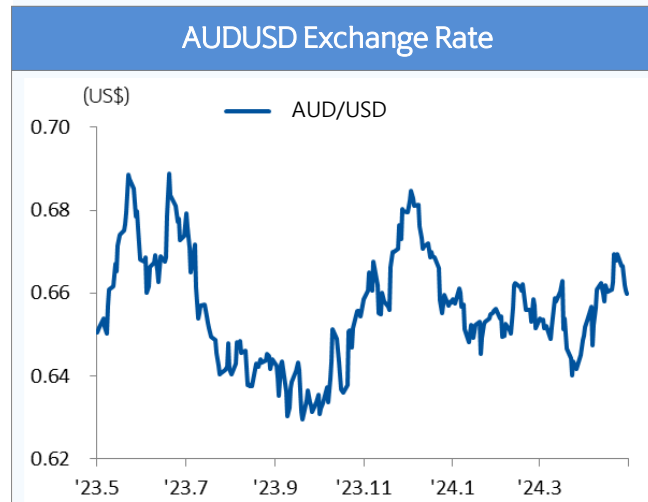
Major Indices Snap shot	
Real GDP growth rate (%YoY)	1.5
Consumer Prices(%YoY)	3.6
Producer Prices(%YoY)	4.3
Policy rate(%)	4.35
AU-US 2yr spread(%)	-0.92
China Imports From Australia(billion USD)	-5.8
Exports(%MoM)	4.0
Imports(%MoM)	-0.4
Current Account(billion AUD)	1.2

• Last Week :

- On the 20th, the AUD soared due to a commodities rally, with copper and gold prices hitting record highs.
- However, the commodities rally lost momentum after the 20th, as hawkish FOMC minutes were released and the US May PMI(compiled by S&P Global) hit a 25-month high, leading to a decline in the AUD.

• Outlook :

- Although the AUD has maintained relative strength compared to other major currencies due to the commodities momentum, it is likely to face downward pressure as the previously excessive commodities rally loses upward trend.
- Nevertheless, the AUD is expected to find support around 0.65, limiting further declines.



Source : Refinitiv, SHB Solution & Trading Center

*Wells Fargo adjusted its forecast upward.

AUD/USD Forecast Distribution * (as of 5/24)

	'24.06	'24.09	'24.12
A N Z	0.66	0.67	0.69
Wells Fargo	0.66	0.66	0.67
MUFG	0.66	0.68	0.70
Citi	0.65	0.65	0.64

Source : Bloomberg, SHB Solution & Trading Center

Major Price Variations in Global Markets 2024.05.27

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2024-05-27	104.72	0.14	-1.15	0.85	1.47	0.49	3.34
	Euro (EUR/USD)	2024-05-27	1.08	-0.07	1.19	0.05	-0.96	1.32	-1.72
	Yen (USD/JPY)	2024-05-27	156.84	-0.37	-0.31	-4.04	-5.20	-10.45	-10.07
	Pound (GBP/USD)	2024-05-27	1.27	0.26	1.40	0.43	0.89	3.11	0.06
	Switzerland (USD/CHF)	2024-05-27	0.91	-0.42	-0.44	-3.92	-3.73	-1.10	-7.98
	Australia (AUD/USD)	2024-05-27	0.66	-0.57	0.94	1.30	0.33	1.38	-2.69
FX - EM	South Korea (USD/KRW)	2024-05-24	1,369.45	-1.04	-0.00	-2.80	-4.61	-3.79	-5.94
	China (USD/CNY)	2024-05-25	7.24	-0.27	0.03	-0.64	-1.31	-2.52	-1.98
	India (USD/INR)	2024-05-24	83.10	0.28	0.27	-0.24	0.34	-0.51	0.14
	Indonesia (USD/IDR)	2024-05-22	15,993.00	0.22	1.51	-2.52	-2.61	-6.90	-3.73
	Vietnam (USD/VND)	2024-05-25	25,470.00	-0.08	-0.22	-3.17	-4.72	-7.83	-4.72
	Brazil (USD/BRL)	2024-05-25	5.17	-1.23	-0.39	-3.62	-5.15	-4.02	-6.01
	Russia (USD/RUB)	2024-05-25	89.60	1.56	3.03	3.16	-0.53	-10.22	-0.14
Stock - DM	United States Dow Jones	2024-05-25	39,069.59	-2.33	2.17	0.25	10.57	18.06	3.66
	United States NASDAQ	2024-05-25	16,920.79	1.41	6.23	5.52	18.82	30.40	12.72
	United States S&P 500	2024-05-25	5,304.72	0.03	4.01	4.46	16.58	26.14	11.21
	Japan NIKKEI225	2024-05-24	38,646.11	-0.36	1.88	-1.51	15.54	25.00	15.49
	United Kingdom FTSE	2024-05-25	8,317.59	-1.22	2.18	8.26	11.49	9.05	7.56
	France CAC40	2024-05-25	8,094.97	-0.89	0.08	1.84	11.42	10.60	7.32
	Germany DAX	2024-05-25	18,693.37	-0.06	2.93	6.48	17.08	16.95	11.59
Stock - EM	South Korea KOSPI	2024-05-24	2,687.60	-1.36	1.18	2.38	7.69	5.03	1.22
	China Shanghai Stock Exchange	2024-05-24	3,088.87	-2.07	0.01	2.43	1.89	-3.85	3.83
	India Sensex	2024-05-24	75,410.39	2.02	2.28	3.17	14.31	20.65	4.39
	Indonesia Jakarta	2024-05-22	7,222.38	0.59	1.57	-1.00	3.11	7.21	-0.69
	Vietnam VN index	2024-05-24	1,261.93	-0.88	4.33	1.98	15.98	18.63	11.68
	Russia RTS	2024-05-25	1,195.58	-1.34	0.74	8.95	5.61	13.26	10.35
	Brazil Bovespa	2024-05-25	124,305.57	-3.00	-1.76	-5.61	-1.13	12.08	-7.36
Rates - DM	United States	2024-05-24	4.47	4.52	-17.67	21.70	-0.15	72.31	58.59
	Germany	2024-05-24	2.58	6.80	-0.50	22.00	-6.00	11.10	55.90
	United Kingdom	2024-05-24	4.26	13.40	-7.30	22.40	-2.20	4.70	72.40
	Japan	2024-05-24	1.01	5.60	10.00	28.50	22.80	59.10	39.10
Rates - EM	South Korea	2024-05-24	3.51	5.20	-14.50	2.70	-26.80	0.00	33.20
	India	2024-05-24	7.05	-4.60	-13.90	-3.00	-22.40	5.50	-12.80
	Indonesia	2024-05-16	6.94	-3.20	1.70	31.30	-1.70	50.60	45.50
	Vietnam	2024-05-24	3.03	17.00	10.00	64.00	50.00	-10.00	66.00
	Russia	2024-05-24	14.50	48.35	107.26	229.65	271.62	363.00	263.26
	Brazil	2024-05-24	11.76	4.30	11.90	87.20	64.60	11.20	139.60
Commodity	WTI (\$/bbl)	2024-05-27	77.82	-2.48	-7.19	-1.33	3.95	7.09	8.61
	Brent (\$/bbl)	2024-05-27	82.20	-1.80	-8.16	-1.73	2.78	6.82	6.70
	Gold (\$/oz)	2024-05-27	2,339.38	-3.54	0.16	15.21	16.15	20.39	13.40

Source : Bloomberg, Datastream, Solution & Trading Center

1) Periodical fluctuation rates in 'FX' categories mean appreciation(+) or depreciation(-) compared to dollar

2) 'Rates' categories mean Treasury 10 year yield, fluctuation rate is in bp (=0.01%) measure.

This report is provided only for a reference. Investors should judge market conditions for themselves before making any investment decisions